

duplicate of that received by the Atlanta Bureau of Police Services. Agent Dick Berry, who was assigned the case, stated that the information was handled as a civil rights investigation and was, therefore, forwarded to the U. S. Department of Justice for further action. An official request from Commissioner Eaves to view the results of the federal government's investigation has now been filed with Attorney General Levi, and we await a decision in the matter. However, investigators were given to understand from Bureau sources that the Department of Justice found no substance to the conspiracy allegations.

A record check was also instituted through the Identification Section of the Bureau of Police Services, and Robert Byron Watson's arrest record was obtained. Of the four principals alleged in the conspiracy, Atlanta police files reflect only Bayne Stacy Culley, Jr. arrested on April 9, 1946 for Carrying a Pistol Without a License and on December 18, 1950 for a traffic violation. Since Watson's statements indicated a radical right affiliation on the part of the four named subjects, Atlanta Intelligence files and those of other local agencies were quired to determine involvement in right wing extremist activities. No record of this type of affiliation could be located in regards to any of the principals, although Jerry Adams was identified as an active member of The John Birch Society, an ultra-conservative organization which cannot objectively be catagorized as right wing extremist in nature.

Also on June 24, 1975, at approximately 1:30 p.m., an interview was held with Mr. Steve Mullis and Mr. Bob Hall, federal probation officers assigned to Robert Byron Watson from the date of his parole in March of 1974 until his most recent arrest and conviction in 1975. While these officers were somewhat restricted in what they could divulge by the nature of their responsibilities, both gentlemen were extremely cooperative. Both Mr. Mullis and Mr. Hall

confirmed the source's conscious participation in narcotics activities and described Watson as an overly protected, emotionally unstable individual whose actions they believed to be primarily motivated by an obsession to be important and to be accepted by some element of society. In their professional opinion, Watson's overwhelming desire for acceptance was equally reflected through his attachment to the criminal community on the one hand and through his attempted identification with law enforcement sources (the DEA) on the other. Information which these sources were able to provide into Watson's background indicated that the subject had a history of severe asthma which, during his childhood, resulted in isolation from his peer group and in an overly protective attitude on the part of his parents. Since the death of his father in 1966, Watson, an only child, has been obsessively protected by his mother and maternal grandmother, with his only apparent outlet his passion for archeology and ancient artifacts.

During the course of the interview, investigators were permitted to view a psychological analysis of Robert Byron Watson performed in 1973 during the subject's incarceration at the Federal Youth Center in Ashland, Kentucky. This psychological evaluation, which provided professional documentation to the probation official's assessment of Watson's emotional instability, cited the subject in question as having an early history of mental disorder and classified him in the following psychological terms: "a schizophrenic, chronic undifferentiated type; is considered psychotic and dangerous to the community; has no real judgement; is extremely grandiose; has a great deal of looseness of association in thought with direction of thought and conversation constantly changing."

After obtaining a professional evaluation of the source's character and background, investigators interviewed Mr. William Arnette, identified by Watson as a close personal friend and the individual who introduced Watson to Magellan,

Inc., the art gallery where the alleged conversation about the conspiracy reportedly took place. By way of background, William S. Arnette (AKA Arenowitch,) now residing in Atlanta, is a white male, approximately thirty-six (36) years of age, born Columbus, Georgia, B.A. degree from University of Georgia. Arnette a reported expert in ancient art with an impressive private collection, operated "The West Eleven, Inc." art and antique shop on West Eleventh Street, Atlanta, before being retained by Magellan, Inc. as chief buyer of the art and antiques sold at the gallery. When contacted at his home on Knollwood Drive, Atlanta, at approximately 3:00 p.m., June 24, 1975, Arnette stated that he had initially met Watson through the latter's interest in ancient art and that he had attempted to assist Byron with his hobby. He also stated that Byron consistently frequented Magellan and both Byron and his mother had made a number of art purchases, both from Magellans and from Arnette personally, purchases financed by a large insurance settlement accrued by Mrs. Watson upon the death of her husband. Arnette advised that his personal relationship with both Watsons was interrupted in 1970 when the Watsons, who had purchased a quantity of art items totaling some \$46,500 from Arnette and had then attempted to sue him for defrauding them with worthless material. Arnette, who by this time had moved his collection to Columbus, Georgia, stated that the situation became extremely complex when Mrs. Watson, convinced by Byron that Gene Purcell planned to marry her, was told by her son that half of Arnette's collection belonged to Purcell, and, therefore, confronted Arnette demanding what belonged to "Gene and her." According to Arnette, this period became difficult with Byron threatening him personally and accusing him of defrauding him and his mother until in December of 1970, Watson was arrested while attempting to burglarize Arnette's warehouse in Columbus. This incident is documented in Watson's arrest record which also

reflects that the charges were subsequently dropped. In Arnette's statement, he dropped contact with Watson until 1972/1973 when the subject was incarcerated in Ashland, Kentucky. During that period, Arnette stated that he corresponded with Byron and even offered to help him upon his release. However, he stated that Byron was extremely erratic, given to grandiose visions and violent outbursts, and that Mrs. Watson's stability was also highly questionable.

When questioned specifically regarding his involvement with Magellans, Arnette relayed the following information: Magellans was incorporated under the title of Blockade Runners, Inc., in November of 1966. Incorporators of the venture were Jerry Adams, Benjamin L. Sutherland, and John Nelson, all previously associated in Adams Associates, a private detective agency, credit bureau, and bill collection agency, and The Atlantic Clearing Exchange, 3177 Peachtree Road, Atlanta. The idea for the corporation, and obviously its title, stemmed from an attempt by Adams, in 1966, to raise a civil war blockade runner off the North Carolina coast, an enterprise in which Eugene Purcell was to be employed as a diver. When the entire venture was aborted through a legal tangle with the state of North Carolina, Adams, Southerland, and Nelson formed Blockade Runners, Inc., d.b.a. Magellans, to serve as a clearing house for ancient eastern and pre-Columbian artifacts and also for civil war relics. The business, established initially at 3177 Peachtree Road, was moved shortly thereafter to its primary location at 3340 Peachtree Road. Bayne Culley and Gene Purcell were brought in as stockholders to handle the civil war materials while Arnette was introduced as a buyer for pre-Columbian and far-eastern art objects.

Arnette stated that he only performed one buying trip for Magellans in the summer of 1967 when he visited a number of far-eastern countries to procure various art pieces for the gallery. When he returned from this trip, he stated

that problems, both personal and financial, had arisen at Magellans, and in December of 1967, Arnette left the company. He further advised that he had not renewed contact with any of the Magellan principals since that date and described them as all belonging to the political right. Of particular interest to detectives was Arnette's reference to Bayne Culley and Gene Purcell as very physical and bigoted individuals. As a result of the interview with Mr. Arnette, investigators were primarily interested in determining the reliability of his statement that Gene Purcell had, in 1956, been involved in a racial incident in Clinton, Tennessee, during which a black school was dynamited and damage to other property incurred.

While in the process of gathering all available background information regarding Magellans and its principals, investigators also systematically traced the evolution of the conspiracy allegations from March 28, 1968, the date identified in the source's statement as the occasion when the alleged conversation took place, until the entire document was brought to the attention of the Bureau of Police Services. Watson stated that he told no one but his mother about the conversation until 1970 when the Watsons traveled to Washington, D. C. to present their evidence to President Nixon. After experiencing disinterest on the part of Secret Service agents with whom they came in contact, the Watsons returned to Atlanta where they contacted local attorney Lynnwood Maddox. On June 25, 1975, an interview was conducted with Mr. Maddox.

Mr. Maddox stated that, sometime in 1970, Mrs. Edwards, Byron's grandmother and an acquaintance of Maddox through mutual church activities, brought Byron to his office, upon which time the conspiracy allegations were related to him. Mr. Maddox advised that, although his memory of the incident had grown rather vague with time, he did recall that Byron appeared frightened and that his story had

a ring of consistency. He further stated that Byron had referred to the alleged conspirators as "businessmen" and also as "the Southern Maffia," and that he had also referred to the Kennedy assassination as related to the same group as well as to several other assassinations now being plotted. Mr. Maddox also recalled that Byron had mentioned receiving a reward for the information which he hoped to collect from "someone like Mrs. Kennedy." At this point in the interview, Mr. Maddox could not recall exactly whom he had advised Byron to contact, but was reasonably certain that he had set up interviews for Watson with the FBI and with Governor Lester Maddox. In regards to the latter, Mrs. Watson and Byron did apparently gain an interview with the Governor, during the course of which a reward was again mentioned, much to Governor Maddox's displeasure. The Watsons were then referred to Mr. Bernard Fensterwald and the Committee to Investigate Assassinations in Washington, D. C. At the conclusion of the interview, Mr. Maddox advised that, while he greatly admired his grandmother, on the basis of his brief acquaintance with Byron, he judged him to be a rather strange individual.

On June 25, 1975, Mr. Bernard Fensterwald, current chief counsel for James Earl Ray, was contacted by phone at his law firm in Washington, D. C. After conversing with Mr. Fensterwald and his investigator Mr. Ken Smith, it was determined that these gentlemen had been contacted by Watson in 1970 and that Mr. Smith had visited Atlanta on various occasions to investigate various aspects of Watson's conspiracy allegations. As both gentlemen seemed to place credence in the document in question, it was agreed that investigators would meet with them in Washington to obtain whatever additional facts and documentation were available. During the conversation with Mr. Smith, it was revealed that he had personally talked with a subject in Atlanta, claiming to be the

former girl friend of James Earl Ray, who stated that she had visited the Magellan location with Ray.

With the assistance of several law enforcement contacts, background information was compiled on both Mr. Fensterwald and Mr. Smith to determine the reliability of their information. Information received through this inquiry reflected Mr. Fensterwald to be a well-established attorney whose career includes a six-year stint as a legal advisor to the State Department (1950-1956); chief counsel on the Senate Subcommittee on Constitutional Amendments (1959-1960); staff director of the Senate Anti-Trust and Monopoly Subcommittee (1961-1964); and counsel to the Senate Subcommittee on Administrative Practices and Procedures where he became involved in investigating illegal wiretapping operations (1967-1968.) In 1968, Fensterwald left senate service and in 1969 founded the privately sponsored Committee to Investigate Assassinations. In this capacity, he has published a series of articles on the Kennedy assassination, and in 1970 became the chief counsel for James Earl Ray. In addition, Mr. Fensterwald represented convicted Watergate conspirator James W. McCord. Mr. Ken Smith is a retired agent of the U. S. Treasury Department and presently Fensterwald's chief investigator. Sources contacted considered both men to be reputable.

At approximately 5:00 p.m. on June 25, 1975, investigators interviewed Mrs. Edna Mathews at her place of employment, the Orange Julius Stand in the Lakewood Shopping Center. Mrs. Mathews, a white female approximately 45-50 years of age, did not appear surprised when we identified ourselves; however, she stated that she was afraid to talk to us in the restaurant, therefore the interview was conducted in the detective car parked in the shopping center. Mrs. Mathews stated that she had met James Earl Ray through her husband, a

service friend of Ray's, and that she had spent considerable time with Ray, both in Atlanta and in California and had borne his son. Beyond this point, Mrs. Mathews' statements were totally incoherent as she described an "American Revolutionary Army" headed by Sam Giancana and a CIA agent, which was responsible for political assassinations, kidnappings, illegal drug trafficking, etc. When asked specifically about Magellans and its principals, Mrs. Mathews showed no recognition, even when the former location of the gallery was described. Mrs. Mathews' credibility was negated by investigators; although it was subsequently learned that this subject has attended the majority of court proceedings involving James Earl Ray and has taken trips to several distant locations including Costa Rica. However, Mrs. Mathews failed to provide any evidence of a link between Ray and an Atlanta-based conspiracy centered at Magellans.

On June 27, 1975, interviews were scheduled respectively with Mrs. Edwards, Byron's grandmother, and Mrs. Lillian Watson, the source's mother. Mrs. Edwards, an elderly lady recovering from an illness, stated that she had no direct knowledge of the conspiracy allegations, and was most immediately concerned with obtaining Byron's release from prison. However, she was able to verify that, in the fall of 1974, Byron Watson had left the country, without the permission of his probation office, for Santiago, Chile. Mrs. Edwards was not aware of his activities while in Chile, but stated that he had called her from Santiago requesting money to come home. Mrs. Edwards stated that she acquiesced to this request and showed us a payment book for a bank loan which she took out to finance Byron's return trip to Atlanta. Mrs. Edwards appeared thoroughly convinced of her grandson's innocence in his most recent arrest and conviction.

On the same date, Mrs. Lillian Watson was interviewed at her home at 764 Wildwood Road, N. E. Mrs. Watson stated that, on March 28, 1968, she had driven to Magellans to pick up Byron. During the ride home, she stated that Byron had

told her that Dr. King was to be killed, and had given her the time, date, and manner. She said that she had not really placed much credence in the information until after Dr. King was assassinated. Mrs. Watson, who typed all of Byron's statements, repeated his conspiracy allegations verbatim as they had appeared in the document. She advised us that, after he overheard the conversation, Byron had been threatened by Gene Purcell and that, out of fear, both Watsons had kept silent about their knowledge of the conspiracy until June 11, 1970 when they traveled to Washington to see President Nixon. Mrs. Watson stated that the Secret Service was "very rude" to them and showed no interest in their story. Upon returning to Atlanta they contacted Mr. Lynnwood Maddox who eventually placed them in contact with Mr. Fensterwald.

When questioned about Gene Purcell, Mrs. Watson admitted that "he had been interested in her" and that, just prior to the King assassination, she had observed Purcell to be extremely agitated and usually intoxicated. She also stated that, the weekend after the assassination, Purcell left Byron a note at Magellans advising him that he had left the country and might never come back. Mrs. Watson alleged that Purcell, Culley, and Meier left the country right after the assassination; and stated that Jean Sayre, who ran Magellans during this period, could corroborate this fact.

Mrs. Watson appeared most anxious that the investigation into the alleged conspiracy would, in some manner, occasion her son's release from prison. While she could offer no new information to support those charges contained in Watson's statement, she showed investigators letters received from Senators McKinney, Nunn, Church, and Jackson, all of which were dated in June of 1975 and which acknowledged receipt of Byron's statement which she had forwarded to them. Mrs. Watson also stated that Lamar Singleton, an aide to Representative Hosea Williams,

and Attorney John Hudson Miers were interested in the case.

Investigators then talked with Attorney Ernest Brookins, Byron's legal counsel in his last arrest and trial. Mr. Brookins was extremely cooperative and was willing to discuss his client at length.

Mr. Brookins stated that his first professional contact with the Watsons had been in 1970 when Mrs. Watson engaged him to file a suit against William Arnette. He stated that, in April of 1970, Mrs. Watson had written him a letter in which she stated that she had a problem but could not confide it "if I value my life and that of my son." Mrs. Watson did write, in the same letter, that, if Mr. Brookins aided her, there would be a lot of money for both him and her son.

Mr. Brookins, according to his statement, has maintained a professional relationship as Byron's attorney during his two major narcotics convictions, a relationship which degenerated into hostility on the part of the Watsons when Brookins advised Byron to plead guilty in his last hearing. During the course of this relationship, Mr. Brookins stated that he had been fully briefed by the Watsons regarding the conspiracy allegations, was aware of Fensterwald's interest in the matter, but, in his own words, seriously doubted Byron's credibility in that regard.

To support this opinion, Mr. Brookins showed detectives a series of letters from various educational authorities documenting Byron's emotional instability while enrolled in the Atlanta Public School System. He also advised investigators of Byron's erratic behavior during his latest trial when, at one point, the subject placed a call to an undercover DEA agent in Denver and told him to find the DEA agent who had "set him up and take care of him." In another conversation with an undercover federal agent, Byron is reported as stating that he was going to kill his mother and grandmother to get the inheritance money.

In addition, Watson, according to Brookins, used offensive and profane language in court and seemed bent on further incriminating himself.

Mr. Brookins was, however, able to verify certain aspects of Byron's statement not related to the King conspiracy. For example, he confirmed that Byron had made a trip to Thailand in 1972 and to Chile in 1974. Regarding the latter, Mr. Brookins produced a letter, dated October 6, 1974, written by Byron from Chile, in which Watson mentions that he is extremely close to several high government officials including Don Carlos Morales and "can make a fortune" from these sources. Byron also writes that he may come back to the U. S. "if Fensterwald gets his act together." It is believed, but not totally substantiated, that the Chile trip, like the one to Thailand, may have been closely connected with Watson's narcotics activity.

At this point in the investigation, priorities were directed towards compiling additional background information regarding the alleged conspirators, with special attention given to proving or disproving Watson's claims that the four individuals left the country directly following the assassination. On July 2, 1975, Mrs. Jean Sayre was contacted at her present residence in Ashville, North Carolina. Mrs. Sayre reportedly managed Magellans for a period in the late spring/early summer of 1968 after the Blockade Runners, Inc. interests had collapsed.

Mrs. Sayre stated that she and her partner, Mary Singleton, had been persuaded by Mr. William Arnette to move their stock of European antiques from a small shop on Peachtree Street to Magellans in the summer of 1967. The negotiated arrangement provided that the ladies could house their collection for exhibition and retail purposes at 3340 Peachtree Road, rent free, in return for which they would act as salespersons for the artifacts displayed by Blockade Runners, Inc. Mrs. Sayre stated that the operation had never been profitable for herself and her partner, that their personal inventory was badly depleted by thefts. She stated

that she personally lost \$750.00 which she had invested in Blockade Runners stocks. She further stated that she had only a working relationship with the other principals and had no basis for speculating as to their personalities or political views. However, she described both Jerry Adams and William Arnette as "con men" and expressed active dislike for Larry Meier due to his "sexual habits."

Mrs. Sayre could not specifically recall the date that she took over the operation of Magellans, but she believed that by late March/early April of 1968 Blockade Runners had removed all of their stock from 3340 Peachtree Road to the building housing Jerry Adams' collection agency (3177 Peachtree Road), leaving her to operate her antique business, under the Magellan trade name, until approximately July of 1968. When asked specifically if any of the principals had left the country during that time period (April-July, 1960,) Mrs. Sayre stated that, to her knowledge, Arnette was the only associate of Magellans who had travelled abroad, and that she had no information that Adams, Meier, Culley, or Purcell had gone outside of the United States during her association with them.

Additional inquiries through the U. S. Customs and Passport Authorities failed to substantiate that any of the principals had left the United States in the spring or summer of 1968.

All available records for Blockade Runners, Inc. were obtained and reflected the following general information:

Stockholders

J. R. Adams	360 Shares
B. L. Sutherland	360 Shares
J. W. Nelson	360 Shares
J. G. Grizzard	166 Shares
H. E. Purcell	116 Shares
J. G. Adams	46 Shares
F. M. Clamon, Jr.	10 Shares

Board of Directors

J. R. Adams	Chairman
B. L. Sutherland	Director
J. W. Nelson	Director
H. E. Purcell	Director

Officers

J. R. Adams	President
J. W. Nelson	Executive Vice President
H. E. Purcell	Vice President
B. L. Sutherland	Secretary/Treasurer

Associates

James Kemp	Owner of Buckhead Radio Shop.
Raymond Anderson	Restorer and Framer.
Larry Meier	Antique and Art Restoration.
William Arnette	Buyer.
Paul Clifford	Authority on pre-Columbian Art.
Bayne S. Culley, Jr.	Authority on Civil War Relics.
William Thibideau	Banker and Real Estate Entrepreneur.
John Seymour , , , , ,	Lockheed Executive.

Information collected revealed that of all associated principals, only Jerry Adams, Ben Sutherland, John Nelson, Larry Meier, Bayne Culley and Howard Eugene Purcell were active in the day-to-day operation of the business. The management operations were handled by Adams, Sutherland, and Nelson, while Purcell, general manager after Arnette withdrew, and Culley maintained the restoration aspects of the business through his own firm, Southeast Restoration Laboratories.

Since the dissolution of Magellans in 1968, principals in the company are now employed as follows:

Jerry Adams, Ben Sutherland, and John Nelson are principal officers in the Great American Silver Company, 3862 Stewart Road, Doraville, Georgia. This company is now under indictment by The Securities and Exchange Commission.

Bayne Culley, Jr. now resides at 1929 McJenkins Drive, Atlanta.
Salesman, civil war relic collector, and race car driver.

Harold Eugene Purcell now resides in Clinton, Tennessee; employed
by The Atomic Energy Commission in Oakridge, Tennessee.

Larry Meier - Archeological consultant for five-county area in Georgia.

On June 27, 1975, investigators interviewed Mr. Ben Southerland, a fellow associate in the Great American Silver Company, at his Doraville office. Mr. Southerland related the following information:

Mr. Southerland confirmed that Magellan Galleries operated as a result of a corporation called Blockade Runners being formed some time in 1966 by himself, Mr. Bill Arnette, Jerry Adams, Larry Meier, Gene Purcell, Bayne Culley, Paul Clifford, Wayne Pharr, Bill Thibideau and a number of other persons. Mr. Southerland recalled that the company operated from approximately September, 1966, until January, 1968. However, he believes he may be able to locate some of the old company records which would pin down more accurately the time period in which Magellan Galleries operated. Mr. Southerland remembered that Robert Byron Watson, who was a teenager at the time, worked in the gallery and there may have been some special relationship between Watson and Larry Meier who lived on the premises at the gallery. The company experienced a great deal of theft during the time it operated and was never financially successful. Mr. Southerland recalled that approximately a total of \$30,000 was invested in the company by about 20 to 24 people.

In questioning Mr. Southerland regarding his personal opinion of the political views of those persons involved in the operation of Magellan Galleries,

he said that all would probably be considered "conservative" with the exception of Bill Arnette. He remembered one individual by the name of Jimmy Kemp, who was an investor in the company, as being ultra-conservative and very racially prejudiced against blacks. Mr. Southerland states that Jimmy Kemp died several years ago. We also asked Mr. Southerland if he was acquainted with Congressman Larry McDonald, and he stated that he was and that to his knowledge the only other person involved in the Magellan Galleries who was acquainted with the Congressman would be Jerry Adams. He could not personally recall if Mr. McDonald had ever visited the gallery but, of course, he was not there in the day-to-day operation of the gallery.

Mr. Southerland stated that Gene Purcell (a friend of his) had been involved in some type of racial incident (probably the burning of a school bus) back in Tennessee when he was a young man, and that Purcell used to talk about the incident from time to time. According to Mr. Southerland, Purcell was living in Clinton, Tennessee, the last time he had contact with him (about five years ago,) and that Purcell's ex-wife, Patsy Purcell, as well as his brother named John Purcell, still lived in the metropolitan Atlanta area.

Mr. Southerland believed that Larry Meier is now employed by the state of Georgia in some capacity to do with his knowledge of archaeology. He suspected that Mr. Meier may have been a homosexual at the time he was associated with Magellan Galleries.

During the investigation, we had occasion to observe several books in bookcases adjacent to Mr. Southerland's desk. Two volumes of these books were titled "A Biographical Dictionary on the Left." Also, had occasion to observe what appeared to be a 12-gauge automatic-pump shotgun leaning in the corner wall near the door to Mr. Southerland's office.

OUT-OF-TOWN INVESTIGATIONS

On July 8, 1975, investigators traveled to Washington, D. C. to interview Mr. Bernard Fensterwald and Mr. Ken Smith. The primary purpose of the trip was to secure whatever documentation these gentlemen might have to substantiate their belief in Byron Watson's allegations.

An extensive conversation was conducted in Mr. Fensterwald's law office. During this discussion, it was learned that Mr. Smith had spent a significant amount of time in Atlanta attempting to collect concrete evidence to substantiate Watson's story; however, he could produce no documentation to support key points raised by Watson. Mr. Smith did furnish investigators with a series of correspondence between himself and the Watsons, dating from March through May of 1975, the intermittent period between Byron's arrest and sentencing for Distribution of Cocaine. Copies of this correspondence are now on file and are of primary importance in that they clearly illustrate the Watsons' belief that the conspiracy information, if presented to the proper authorities, will substantiate Byron's claims that he was framed by "federal gangsters." In one such letter, Mrs. Watson lists the following individuals as recipients of the 42-page document:

Representative Stewart B. McKinney
Governor George Wallace
Senator Henry Jackson
Senator Charles Percy
Senator Edward Kennedy
Dick Gregory
Mark Lane
Carl Oglesby
Bella Abzug
Senator Frank Church
Senator George McGovern
Representative Phillip Burton
Representative Henry Gonzalez

Mr. Fensterwald stated that he was firmly convinced of the existence of a

conspiracy in both the Kennedy and the King assassinations. In reference to the King case, his interests, as James Earl Ray's defense counsel, lie in researching all possible allegations which might substantiate that a conspiracy was involved; thus, his interest in Watson's story. As told to investigators, Mr. Fensterwald's major arguments to support a conspiracy in general and the Atlanta-based conspiracy in particular can be reduced to the following points:

1. Through long association with Ray, Mr. Fensterwald assesses him as mentally incapable of having planned and executed the sophisticated strategy utilized in the King assassination.
2. Mr. Fensterwald stated that in 1970 he was approached by Attorney John Mitchell and given a proposition to present to Ray; (i.e.) if Ray would name his fellow conspirators, he would be given a false identity and spirited out of the country. Ray's response according to Fensterwald was to refuse the deal on the grounds that he would be killed if he talked.
3. As regards the Atlanta-based conspiracy, Fensterwald stated that, before the assassination, Ray was involved in the smuggling of narcotics and stolen jewelry across both the Mexican and Canadian borders, a parallel operation to the smuggling activities which Watson, in his most recent statements, alleges were carried on through Magellans and associates.
4. Fensterwald felt that Edna Mathews provided a link between Ray and Magellans.
5. Fensterwald stated that Robert Byron Watson had been given a polygraph regarding his story by Cleve Backster of New York City, and that the examiner found him to be 90-95% truthful.

Investigators, upon conclusion of the interview, were given a tape of the polygrapher's comments regarding the Watson polygraph, as well as a list of those individuals in Memphis, Tennessee, who might aid us in our inquiry. Mr. Fensterwald also gave his permission for us to interview James Earl Ray, although he warned us that Ray probably would not cooperate.

On July 19, 1975, investigators departed from Washington, D. C. en route to the Federal Youth Center in Ashland, Kentucky, where a number of hours were spent in interviewing Robert Byron Watson.

Watson is a twenty-one year old white male, tall and slender, with a somewhat effeminate appearance. The subject was initially nervous, but otherwise friendly and cooperative during the interview.

When questioned specifically regarding the conversation which he allegedly overheard at Magellans, Watson repeated verbatim his written statement. However, he added that besides Adams, Purcell, Meier, and Culley, two other men were present in the room at the time the conspiracy was discussed. These he described as "Gene", a white male, middle-aged, black hair, short and pudgy, from Los Angeles; and "Frank", an elderly white male, grey hair, pockmarked face. Watson classified all members of the group as anti-semitic and racist.

While questioned extensively regarding the conspiracy allegations, Watson could furnish no additional information regarding the conversation or its principals. It was readily evident that he was much more intent upon discussing a large drug-related ring made up of federal agents and Atlanta-based narcotics figures, whom he alleged to have framed him because he wouldn't join the organization. Watson professed total innocence in regards to any type of narcotics activity, although his conversation was laced with references to individuals engaged in the narcotics traffic. The DEA was the primary target for Watson's

accusation about "a government within a government" which engaged in international narcotics smuggling. For example, he informed investigators that he had hidden on the prison grounds a photograph of a DEA agent with an AK-47 weapon. This he refused to produce upon request.

The only reference made to Magellans by Watson during the bulk of his conversation was included in his report of a smuggling ring between the United States and South America, run, he stated, by Mr. Bill Jackson, Mr. Herman Jackson, and Jerry Adams. He stated that the Jacksons were stealing heavy industrial equipment in the United States and smuggling it into South America in return for gold bullion. The gold bullion was then smuggled into the United States through Mobile, Alabama, and distributed through Jerry Adams' Great American Silver Company and also through The Liberty Coin Company run by Hugh Franklin. When pressed for details, investigators were promised copies of some "affidavits and citations," written by Watson and containing this information.

With no prior identification, Watson was shown a photograph of William Arthur Bremer @ Bill Jackson, brother of Arthur Bremer who attempted to assassinate George Wallace in 1972. The purpose for this was to determine whether William Bremer @ Bill Jackson was the same Bill Jackson mentioned frequently by Watson. Watson could not identify the photograph.

Watson also informed us that he was widely versed in psychology and could produce any type of psychological symptoms which he desired when under analysis.

Watson further stated that he was presently represented by Al Horn and Glenn Zell, both of whom, he alleged, had approached his mother about taking his case. Watson was also very cognizant of Horn's involvement with narcotics.

At the conclusion of the interview, Watson insisted upon signing and having

notarized two "sworn statements" which he then gave to us. These statements, and an additional one mailed to the intelligence office subsequent to the interview, appear to be written by Watson to complement his original document and to support his claims that he was framed. The two statements given to investigators personally by Watson deal exclusively with an international smuggling ring for gold bullion and narcotics, in connection with which he names Jerry Adams, Herman Jackson, Bill Jackson, and, as an associate, Congressman Larry McDonald. The third statement, mailed to us by Watson under the title of "Political Prisoner," reports a syndicate-sponsored laboratory for the growth of communicable disease cultures, stolen from the Center For Disease Control in Atlanta. These microorganisms, Watson alleges, provide a syndicate assassination weapon. As previously stated, while Watson's information regarding known narcotics traffickers is reasonably accurate, his allegations concerning gold smuggling and the growth of communicable disease cultures cannot be verified.

After talking with Watson, investigators talked with officials of the Federal Youth Center, including Byron's staff counselor and the staff psychiatrist. While neither of the latter were at liberty to divulge professional opinions, their reactions to our questions tended to substantiate previously reported evaluations of Watson's mental instability. We were told that Watson was to be given a psychiatric examination the following week.

After returning to Atlanta, investigators studied Watson's latest information in detail. Since a significant portion of these statements dealt with Watson's 1974 trip to Chile, investigators, on July 11, 1975, interviewed GI-270, a highly reliable source who it was hoped could clarify Watson's activities in Chile. GI-270 stated that he had initially met Mrs. Watson through a church

social group in 1973 while Byron was still incarcerated in Ashland. After Watson's release from prison, GI-270 became acquainted with him and, when Byron decided to go to Chile, GI-270 made arrangements for Watson to meet Fuhad Habash Ansara, the head of the Palestine Liberation Organization's base in Chile. However, GI-270 advised that Watson was uninterested in political matters, and that Ansara soon grew tired of Watson and his habit of placing long-distance calls at Ansara's expense. However, while GI-270 did substantiate this portion of Watson's statement regarding Chile, he was unfamiliar with Don Carlos Morales and had no information regarding Watson's other activities while in that country.

On July 15, 1975, investigators drove to Memphis, Tennessee, to research the Ray case in general, and to specifically probe any Atlanta-based contacts which Ray might have had. All relevant court records were carefully scrutinized, and a copy of Ray's guilty plea and of the State's case against Ray were obtained and submitted to file. Since these documents are available and self-explanatory, no further elaboration is needed in this summary. However, court records do reflect that the Shelby County District Attorney's Office had investigated the possibility of a conspiracy in the King assassination and that "a conspiracy could in no way be proven." At one point in the proceedings, however, Ray is recorded as stating that Ramsey Clark (then U. S. Attorney General) and J. Edgar Hoover were wrong about a conspiracy not being present.

Information gathered indicates that Ray entered a guilty plea, therefore absolving his rights to trial by jury, at the persuasion of his attorney, Percy Foreman. Foreman, on behalf of Ray, had negotiated a contract with author William Bradford Huie for the exclusive rights to Ray's story. It was subsequently charged by Ray's later attorneys that Foreman, who was to receive a significant portion of the royalties from the book, had conspired with Huie to

convince Ray to plead guilty so that his story would not be released during a trial. Ray himself, who later supported this allegation, did talk extensively to Huie, and, as a result, an article appeared in Look Magazine, November, 1968, detailing Ray's background prior to the assassination.

Based upon his conversations with Ray, Huie states that the assassination plot was probably conceived as early as August of 1967 in Montreal, Canada. Ray had gone to Canada after his escape, On April 23, 1967, from the Federal Penitentiary in Missouri, where he hoped to eventually obtain a passport to South America. While in Montreal, Ray met an individual known only as Raoul who utilized Ray to run drugs between Windsor, Ontario and Detroit. On August 25, 1967, Ray left Canada for Birmingham, Alabama, where he was told by Raoul (according to Huie) to "lie low" and to await orders. Huie reports Ray as stating that Raoul had given him \$500 for living expenses, \$500 to purchase camera equipment and an additional advance to purchase a car - the white Mustang.

In December of 1967, Ray met Raoul in New Orleans where, Huie quotes Ray as stating, Raoul said that he had one more job for him to perform in about three months. On money provided by Raoul, Ray left for Los Angeles where he remained for three months. There he took bartending and dancing lessons, under the alias of Eric Galt. On March 22, 1968, Ray returned to Birmingham and on March 23, left for Atlanta where he remained until the assassination. Huie concluded that, as late as March 23, 1968, Ray did not know what "his final job" would be.

At approximately 2:00 p.m., on July 15, 1975, local Memphis attorney, Mr. Russell X. Thompson was interviewed. Thompson stated that his involvement with the Ray case had been limited, that he had never met Ray personally, and that his only contact had been through Arthur Hanes, Ray's first attorney, who desired local legal assistance in Ray's defense.

Thompson did state that, in July of 1968, he received a call at his home from an individual who identified himself as Tony Benavitas from Chicago. This subject told Thompson that his roommate had killed King. When pressed, Benavitas would give no further details except that he was going to Brownsville, Tennessee, to meet with Doyle Ellington, the Grand Dragon of the K.K.K. Mr. Thompson advised that he had reported the incident to the Memphis Police Department and had judged the subject to be "a nut." He stated that Benavitas contacted him on one other occasion, but that he had placed no credibility in the subject's allegations.

At approximately 3:00 p.m. on July 15, 1975, investigators interviewed Mr. Robert Livingston at his law offices in Memphis. Mr. Livingston, who is currently assisting Mr. Fensterwald in Ray's defense, was extremely cooperative but could furnish no information to substantiate the allegations made in Watson's original document. Mr. Livingston advised us that James Earl Ray will not discuss his knowledge of a conspiracy with his defense lawyers and is now basing his hopes for release, in the event that his appeal for a trial is granted, upon the lack of evidence in the State's case and not upon substantiation of a conspiracy.

Mr. Livingston advised that, to his knowledge, Ray had no contacts in Atlanta, with the possible exception of Edna Mathews. When asked to clarify this statement, he stated that Ray will not admit to knowing Mrs. Mathews, a fact which Mr. Livingston maintains is not significant, since Ray doesn't admit to recognizing anyone. Mrs. Mathews, however, contacts Livingston frequently by phone, and has attended most court proceedings related to Ray. Mr. Livingston further stated that, when in Memphis, Mrs. Mathews always stays at the Tennessee Hotel, and that she takes frequent other trips, particularly to Costa Rica. It is

Mr. Livingston's belief that Mrs. Mathews has some knowledge of the King conspiracy and that she is being sent to Memphis by individuals who desire first-hand knowledge if Ray decides to talk. Mr. Livingston was unfamiliar with all of the principals in Magellans with the exception of Mr. William Arnette whom he said he had learned of through Edna Mathews. According to Livingston, Edna Mathews had once mentioned Arnette's name and had stated his art importing business was a front.

Mr. Livingston stated that he was personally convinced of a conspiracy involved in the assassination of Dr. Martin Luther King, Jr. Mr. Livingston's theory is supported by a subject, C. H. Andrews a.k.a. R. L. Warren, currently serving a sentence for terroristic threats in the Mimico Correctional Institute in Tronto, Canada. Mr. Livingston stated that this subject, who is from Montreal, contacted him several years ago and asked to make a deal. Subject came to Memphis where he met with Livingston and advised that he, Ray, and two other individuals were given a contract on King by four prominent Americans, white and black, which they executed on April 4, 1968, in Memphis, Tennessee. After the assassination and the subsequent arrest of Ray in London, Livingston quotes Andrews as stating that he and his companions were not paid. Andrews, according to Livingston, stated that all three were ready to name the sources of the contract if they themselves were guaranteed immunity from prosecution.

Mr. Livingston stated that both he and Mr. Fensterwald had met with Andrews on several occasions. He alleges that Andrews is a member of the FLQ (French Liberation of Quebec,) a terrorist organization of french separatists who were hired by sources inside the United States to assassinate King. Mr. Livingston stated that he contacted the office of the State Attorney General regarding Andrews' proposal but that that authority was not interested in the matter.

Of equal interest to investigators was Livingston's statement regarding The Rev. Samuel B. Kyles, a local civil rights activist who had been on the balcony with Dr. King when he was killed. Rev. Kyles was the State's principal witness against Ray. According to Mr. Livingston, Andrews described the deal (to kill King) as going down in an area of Memphis which, when retraced, was found to be the area of the Rev. Kyles' church. Detectives subsequently learned from sources, independent of Mr. Livingston, that Rev. Kyles' church is a very poor one, but that, after the assassination, a number of apartment buildings, owned by Mr. Kyles, were constructed in that area. It was also alleged by reliable sources that, on July 16, 1975, the day Memphis newspapers reported our presence in that city, Rev. Kyles left unexpectedly for Chile.

At Mr. Livingston's suggestion, investigators then talked with Mr. Wayne Chastain in Mr. Livingston's presence. Mr. Chastain is currently a Memphis attorney, but in 1968 was the newspaper reporter who covered the King march in Memphis. Mr. Chastain agrees with Mr. Livingston that Ray was not a lone assassin; however, his principal information involves a subject by the name of Walter Alfred Jack Youngblood. According to Chastain, Youngblood, a white male who usually operates out of Miami and Texarkana, has been verified as a gun-runner for Castro and has had a long association with Mitchell Vincent Warbell of Atlanta. Chastain believes Youngblood to also be associated with Robert Vesco in Costa Rica. Youngblood also uses the alias of Jack Armstrong.

Chastain stated that, on April 4, 1968, at approximately 4:30 p.m., a subject, later identified by owner Lloyd Jowles as Jack Youngblood, entered Jim's Cafe and ordered breakfast. Jim's Cafe occupies the lower portion of the building across from the Lorraine Motel from which the shot which killed Dr. King was fired. Besides placing Youngblood on the scene approximately one and one-half hour before the assassination, both Livingston and Chastain stated that

Ray, when shown a photograph of Youngblood, commented, "that looks like the man in the tavern with Raoul;" thus linking Youngblood with the mysterious Raoul, the only contact of which Ray has spoken.

At the conclusion of the lengthy interview just reported, Mr. Livingston again emphasized his belief that a conspiracy was involved in the King assassination. He further stated that the State's case against Ray was weak and that he did not believe that it would stand up in a jury trial. Furthermore, he furnished us with the name of an Arthur Murtagh, a retired FBI agent now an attorney in New York, who was reported to have been employed by the Atlanta office of the Bureau during the period of the King assassination. According to Mr. Livingston, Mr. Murtagh stated that the entire assassination investigation was a cover up and a shame.

On July 16, 1975, investigators traveled to the Tennessee State Penitentiary in Nashville, Tennessee, where we attempted to interview James Earl Ray. Ray refused to see us; however, in talking with the warden of the facility, we were advised that Ray would speak to no one but his attorneys.

On July 17, 1975, an interview was conducted with retired FBI agent Carl Claybourne at his home in Knoxville, Tennessee. Mr. Claybourne, in 1968, was assigned to the Atlanta office of the FBI and handled the Atlanta-based investigations into the King assassination after the white Mustang was discovered in Atlanta's Capitol Homes project.

Mr. Claybourne stated unequivocally that, in his professional judgement, Ray was the lone assassin. He advised that in the aftermath of the murder, the U. S. Department of Justice ordered an investigation into a possible conspiracy and that all of the evidence amassed as a result of that investigation indicated that James Earl Ray had acted alone. Mr. Claybourne stated that background

information gathered reflected Ray to have been a loner and that his only close relationship had been with his brother, Jerry Ray. It was Mr. Claybourne's opinion that Ray, most of whose life was spent in and out of prison, had been out of touch with current events and had concocted the plan to kill Dr. King as a means to make himself a hero to the white race, believing that no white jury would ever convict him. Mr. Claybourne also stated that, while in Atlanta, Ray had contact with no one and spent his time in the 14th Street rooming house where he worked on a locksmith course he was taking by mail. When asked how Ray had obtained the amount of money found on his person when he was apprehended, Mr. Claybourne advised that a bank robbery had been pulled in Illinois, several weeks before the assassination, in which Ray and his brother Jerry have been identified as suspects.

Also, on July 17, 1975, Harold Eugene Purcell was interviewed in Clinton, Tennessee. In order to locate Mr. Purcell, detectives contacted local law enforcement authorities who proved most cooperative. In a general discussion with these sources, we were advised that Mr. Purcell was well liked in Clinton and had never given authorities cause for problems. In reference to the 1956 racial incident in Clinton, local authorities stated that Purcell, a teenager at the time, had been involved, but so had nearly every other white citizen in Clinton, including both sources interviewed. As described to us, the incident, one of the first of its type in the nation, was sparked by President Eisenhower's executive order to integrate the schools. The white citizenry of Clinton, a rural community in the hills of Tennessee, refused to comply and as a result, a black school was dynamited, black cars were overturned and other property damaged before state and federal authorities were called in to restore order. Purcell had apparently been part of a group of teenagers who on at least one occasion

had smashed the windshield of an automobile with a hammer.

Contact was made with Gene Purcell at his place of employment, the Atomic Energy Plant in Oakridge, and he agreed to meet with investigators at a nearby restaurant. Purcell generated a likeable and sincere appearance and seemed most anxious to cooperate. He stated that he had been a diver while in the Navy and that in 1966 had met Adams, Sutherland, and Nelson when the three engaged his services to dive for artifacts on a civil war Blockade Runner sunk off the North Carolina Coast. On this occasion, Purcell stated that he also met Bayne Culley, another civil war buff brought in by Adams for the enterprise on the strength of Culley's recent accomplishment in raising a vessel from the river in Columbus, Georgia.

While the North Carolina excursion was never launched, Purcell said that he was persuaded by Adams to invest his considerable collection of civil war relics in Magellans on the strength that it would be a money-making enterprise. At Magellans, Purcell served as curator of the civil war exhibits until Arnette left in December of 1967, where upon he became general manager of the business. Purcell stated that the business had never been profitable and that he had personally lost most of his civil war memorabilia as a result of his association with the company.

Purcell described his associates in Blockade Runners as "get rich quick dreamers." He referred to Jerry Adams as a con man and stated that he was an avid John Bircher whose political rhetoric the other members ignored. Purcell was particularly bitter towards William Arnette. He stated that Arnette was a shady character who, at one point convinced Lillian Watson, whom he described as a lonely widow twenty years his senior, that Purcell was in love with her to the embarrassment of all concerned. Purcell remembered Robert Byron Watson as a

lonely little boy whom, he stated, he tried to help by providing some male companionship.

When confronted with the conspiracy allegations, Purcell stated that he could not recall a conversation of that type as ever having taken place at Magellans. He also stated that, during the period of Dr. King's assassination, he and Bayne Culley were at the Shiloh Battlefield in Savannah, Tennessee, searching for relics.

At the conclusion of the interview, Purcell agreed to submit to a polygraph examination to substantiate his innocence in the matter. He was then advised that he would be contacted about convenient arrangements for administering the examination.

Purcell could not recall the exact date that Magellans was dissolved; however, he was reasonably certain that by April of 1968 the merchandise had been removed from the 3340 Peachtree Road address and the building leased to Sayre associates. Purcell left Atlanta in July of 1968 and returned to Clinton, Tennessee, where he has resided since that date.

On July 18, 1975, investigators interviewed Mrs. Patsy Purcell, ex-wife of Harold Eugene Purcell, in the Prado Office Park, Roswell Road, Atlanta, Georgia. Although Mrs. Purcell expressed some resentment about her recent divorce, she was generally complimentary regarding her ex-husband and described Purcell as an "honest and gentle person" with no strong prejudices against anyone. Mrs. Purcell stated that she had not been directly involved with Magellans, but, through limited contact with the principals, had distrusted both Adams and Arnette in regards to their business practices. She also stated that, to her knowledge, none of the principals had traveled outside the country during the time frame in question.

On July 21, 1975, Mr. Bayne Culley was interviewed at his home on McJenkins Drive, Atlanta. Mr. Culley, now a race car driver, was also very friendly and cooperative during the interview.

Culley stated that his hobby was collecting civil war relics, a fact borne out by the quantity of these items in his home. He stated that he had been associated with Blockade Runners during the period when Adams, Sutherland, and Nelson were interested in raising civil war ships off Cape Hatteras. Subsequently, after this program failed to materialize, Culley stated that he purchased \$500 worth of stock in Blockade Runners and then worked at Magellans on a part-time basis where he assisted Purcell in managing the civil war and American Indian artifact collection at the gallery.

Culley reinforced Purcell's statement that Magellans had been a con operation, organized by Adams and associates as a means of raising some fast capital. However, Culley blamed Arnette for the major losses which the stockholders, including himself, incurred from the enterprise. He stated that Arnette had been the most active in soliciting for investors, and that the only financial reserves, raised through the collective efforts of the stockholders, which Magellans was ever to amass was squandered by Arnette on a world trip which failed to return to the gallery the quantity of valuable items promised. Culley stated that in his opinion, Arnette was crooked, had made deals with anyone who would finance him, and had defrauded Magellans during his 1967 buying trip. Upon Arnette's return from the trip, Culley stated that he became so incensed by the personal losses which he had sustained, that he threatened Arnette physically. It was shortly after this period that Arnette left Magellans.

Culley stated emphatically that neither he, nor anyone else at Magellans in his hearing, had discussed the murder of Dr. Martin Luther King, Jr. While

he could not recall his exact whereabouts on the day of the murder, he said that he and Gene Purcell often hunted civil war relics together, and that they were quite possibly at Shiloh during that period. Mr. Culley agreed to take a polygraph examination to substantiate his story regarding the King assassination.

Also on July 21, 1975, Mr. Jerry Adams was interviewed at the Great American Silver Company, Stewart Road in Doraville, Georgia.

Mr. Adams, who had previously been interviewed by a reporter from The National Inquirer regarding the Watson allegations, was not surprised to see us and immediately addressed the issue at hand.

Mr. Adams provided a brief background sketch of Magellans which deviated from previous statements only in regards to his own position and the credibility of the business venture. According to Mr. Adams, the company had been a solid one whose financial insolvency was directly attributable to the large percentage of merchandise thefts incurred while the business was in operation. Although Mr. Adams declined to specifically name the source of these thefts, he did allege that "it was an inside job." Mr. Adams further stated that by January of 1968 Blockade Runners members were in the process of dissolving their interests in Magellans, and that he would attempt to produce records reflecting that business operations had been disbanded long before late March of 1968.

Mr. Adams stated that he had never participated in, or been a witness to, a conversation in which threats, overt or implied, were made against Dr. King or any other civil rights leader. He did state that it was possible that "the direction which the civil rights movement was then taking" had been generally discussed, although he could recall no such discussion, but that the allegations

of a conspiracy, were totally erroneous. Mr. Adams also agreed to take a polygraph examination to verify this statement.

On July 22, 1975, investigators interviewed Mr. Lawrence Meier regarding his knowledge of Magellans and of an alleged conspiracy. Mr. Meier, now chief archeologist for a five-county area, had resided in the building which housed the gallery during his tenure as a restoration specialist for Magellans.

As is the case with the other principals interviewed, Mr. Meier confirmed that he became associated with Magellans through his interest in archeology and ancient artifacts, and through his desire to utilize this hobby as a money-making proposition. While Mr. Meier conceded that Adams, Sutherland, and Nelson were probably con men who tried to exploit their associates' expertise in this area to make some easy money, he laid the major portion of the responsibility for Magellans failure squarely upon the shoulders of William Arnette. Mr. Meier alleged that Arnette, after draining the Magellan treasury for his world-wide buying trip, returned only the least valuable of the merchandise purchased to Magellans, while the best pieces he had secretly shipped to his warehouse in Columbus, Georgia. This collection, acquired and imported illegally according to Meier, Arnette subsequently donated for exhibition purposes to the Museum in Columbus to avoid inquiries by authorities. Mr. Meier also suggested that Arnette might well have been involved in thefts of valuable art objects which have periodically occurred in Georgia in recent years.

Mr. Meier's memory proved to be the most reliable of all principals interviewed. He confirmed that the process of disbanding the business was begun in January of 1968, but that with the confusion of removing the sizable quantity of merchandise to other storage areas, the principals were conceivably at 3340 Peachtree Road, on a periodic basis, until March or April of 1968. However, Mr. Meier denied that any conversation regarding the assassination of Dr. King

had ever taken place. On the occasion of the interview, Mr. Meier stated that he personally had no objections to taking a polygraph on this or any other information which he had provided regarding Magellans, but that he would prefer to consult his lawyer before making a firm commitment to the polygraph examination.

On Wednesday, July 23, 1975, polygraph examinations were administered to Mr. Bayne Culley, Jr. and Mr. Jerry Adams at the Atlanta Intelligence Office, #2 Northside Drive. The results of both examinations indicated that both gentlemen were truthful in their statements that they had neither participated in, nor been privy to, a conversation in which the assassination of Dr. Martin Luther King, Jr. was discussed. Mr. Larry Meier, on the advice of his lawyer, declined to take a polygraph for reasons which he described as fear of damaging publicity adversely affecting his professional position. Mr. Gene Purcell, also affected by the publicity surrounding the investigation, stated that he would take a polygraph if it were administered in Atlanta with his attorney present. After reviewing all of the investigative data, including the results of the polygraph examinations which had been given, it was decided that Watson's allegations, relevant to a conspiracy, had been discredited through evidence on hand and did not warrant further inquiry. On this basis, the investigation was closed.

GENERAL CONCLUSIONS

The body of investigative data detailed in the proceeding pages of this report, when analyzed as a collective unit, has provided investigators a concrete basis for discrediting the allegations made by Robert Byron Watson, that a specifically designated Atlanta-based conspiracy was operative in the 1968 assassination of Dr. Martin Luther King, Jr. However, this conclusion, based strictly upon a thorough evaluation of all investigative findings, has not been superficially arrived at and is tendered only after an intense inquiry into all aspects of the information furnished by the source. Given the complexity of the investigation, as well as the attending publicity which the case generated, this section is incorporated as a general analysis of the entire effort and the specific evidence obtained to support the above conclusion.

As previously cited, maximum investigative effort has been directed towards evaluating both the source's general credibility and the reliability of the specific allegations detailing an Atlanta-based conspiracy. While, routinely, credibility and reliability are considered as inter-related factors, this particular investigation has been complicated, and therefore extended by the source's erratic credibility pattern. In conducting an objective investigation into all facets of the source's allegations, several factors surfaced which initially tended to reflect positively on the reliability of the entire document.

To reiterate, the credibility of the source's original information, exclusive of the King conspiracy allegations, was verified to a significant degree. Watson's knowledge of narcotics activities has been documented to the satisfaction of investigating personnel, and certain other areas of his state-

ment, his expertise in the field of ancient artifacts, his trips abroad, even a 1972 break-in at his mother's 764 Wildwood Road residence, confirmed through investigative inquiry. By the same token, the business where Watson alleged the conspiracy conversation to have taken place was in existence during the time frame in question, the individuals named by Watson were associated with this enterprise, and Watson's relationship with these subjects was established.

Aside from the above indicators which support Watson's general credibility, several other factors were given consideration as initially lending substance to the specific allegations towards which this inquiry was directed. Firstly, Watson's story, based upon a conversation which he allegedly heard at the age of fourteen, has retained an almost total consistency after having been repeated to numerous individuals over a seven-year period. Secondly, and perhaps most importantly, Watson was given a polygraph examination by a reputable polygrapher which, based upon the testimony of Mr. Fensterwald, substantiated the veracity of his allegations.

Another area which, on first consideration, tended to add credence to Watson's allegations regarding the conspiracy involved the statement of fellow Magellan associate Mr. William S. Arnette. When interviewed on June 24, 1975, Mr. Arnette, while he did make reference to Watson's ability to invent grandiose tales, described the four individuals named by Watson in the conspiracy allegations, as extremely rightist in orientation, charged that two of them (Culley and Purcell) were prone to violence, and intimated that he thought them capable of committing such an act. These comments, coupled with Arnette's description of Purcell's past involvement in racial violence, did create strong implications that the subjects accused by Watson had the mentality and the political motivations necessary to perpetrate such a conspiracy.

However, all of these factors, while initially influential in prolonging the investigation, have been diluted of significance in the wake of further investigative efforts which produced an overwhelming body of evidence to the contrary. In the final analysis, no evidence was gathered to document the source's claims, either that the Magellan principals had been involved in illegal smuggling activities or, more specifically, in a conspiracy to assassinate Dr. King. Based on investigative results, the following components provide a substantive basis for negating the credibility of Watson's allegations.

1. With the exception of his mother, no individual can corroborate that Watson reported the conversation about the King conspiracy before the assassination actually took place. Based upon Mrs. Watson's relationship with her son and an evaluation of her emotional stability as compiled through personal interviews and the opinions of many reliable sources, we feel it fair to state that Mrs. Lillian Watson does not offer reliable corroboration of this point. While she undoubtedly believes her son, Mrs. Watson is so overly protective of Byron's welfare that she does not represent a credible nor objective witness.
2. A key point, emphasized by both Byron and Mrs. Watson, has been that the alleged conspirators left the country immediately after the assassination and did not return until Ray was apprehended in June of 1968. There is no documentation whatsoever to verify this claim, and even those sources provided by the Watsons as knowledgeable on this point do not support this charge. Rather, all evidence gathered indicates that all four subjects were in the Atlanta area, though no longer at Megellans, through July of 1968.
3. Information contributed by Watson subsequent to the submission of his original

statement, alleges that principals of Magellans, specifically Jerry Adams, were involved in a syndicate smuggling ring for narcotics and gold bullion. While Adams' business ethics, particularly as evidenced through his Great American Silver Company, are highly questionable, we have uncovered no evidence that Adams, or any of the other associates of Magellans, are presently or have ever been involved in major criminal operations of this type.

4. Mr. William Arnette's description of his fellow associates is not borne out in the comments of all other sources interviewed. Rather, further investigation established that Arnette left Magellans under a cloud of suspicion and that the mutual hostility between Arnette and his former partners probably contributed greatly to his negative attitude towards them.

5. Watson's emotional instability, as attested to by both professional authorities and by all private sources contacted, with the exception of his mother and grandmother, directly influences an evaluation of his credibility. While this is not to state that informants suffering from mental disorders cannot furnish credible information, the percentage ratio, particularly of an individual with Watson's psychiatric diagnosis of Chronic Schizophrenia with grandiose visions of reality, is considerably reduced. By the same token, Watson's apparent inability to differentiate between what is true and what he must accept as true for self-exoneration (clearly reflected in his narcotics activities) may well account for his ability to maintain a consistent and credible account of his story even while undergoing a polygraph examination.

6. The determination, equally apparent with both Mrs. Watson and Byron, to utilize the King conspiracy allegations as a tool to substantiate Byron's claims that he was victimized by federal authorities weighs negatively upon the source's

motivations. In interviews with both Watsons, as well as the subsequent documents furnished by Byron, it is increasingly obvious that the Watsons do consider the King conspiracy allegations as a minor factor in the overall federal conspiracy which is responsible for Byron's narcotics convictions. All of these facts tend to support the hypothesis that Watson quite possibly concocted the King conspiracy story after the King assassination for whatever his psychological motivations (revenge, self-aggrandizement, or most likely, the possibility of a reward, a primary factor mentioned by both Watsons when the story was first introduced in 1970) and is now attempting to use it as a bargaining factor in securing his release from prison. This particular hypothesis is further supported by evidence that, prior to the Watsons' trip to Washington to release the information, they had just spent the greatest part of their inheritance upon artifacts purchased from Arnette and were desperately trying to retrieve their capital.

7. All of the proceeding factors which contributed to the conclusion that Watson's allegations regarding an Atlanta-based conspiracy to assassinate Dr. King were unfounded are concretely cemented by the results of polygraph examinations which substantiated that two of the individuals, named by Watson as participants in the conspiracy, were truthful in their statements that the alleged conversation never took place.

As regards the general possibility that a conspiracy was involved in the assassination of Dr. Martin Luther King, Jr., the following comments are submitted.

The investigation, ordered by Commissioner A. Reginald Eaves and conducted by investigators of the Atlanta Police Intelligence Section, was specifically

directed towards determining the veracity of the Atlanta-based conspiracy alleged by Watson and was in no way focused upon the broader goal of substantiating whether or not Dr. King's murder resulted from a conspiracy. Therefore, while in the course of our specific investigation we were furnished with information concerning other possible conspiracies, we have no basis for assessing the reliability of these leads, and we are restricted by jurisdictional and manpower considerations from future attempts at doing so. However, even a cursory examination of certain information presented to us elicits some very interesting series of coincidences which would appear to merit investigation by appropriate agencies.

By way of a general comment, and we reiterate that this is by necessity entirely speculative and not based on any investigative efforts, Mr. Livingston's informant from Montreal, Canada, raises some interesting coincidences for further consideration. From all we have been given to understand, James Earl Ray's only admitted contact, during the period of April 23, 1967 to April 4, 1968, was the mysterious Raoul whom he met in Montreal and who, according to Ray as reported to Huie, financed and directed Ray's operations from August of 1967 until April of 1968. If Andrews' background as a member of the terrorist FLQ can be substantiated and if Raoul was also perhaps associated with that organization, it is entirely possible that a new avenue worthy of exploration has been opened in the King assassination case.

Without as much substance in our opinion, but equally interesting, is the observation that Jack Youngblood, an alleged Castro gunrunner, was identified as being in the location of the Lorraine Motel approximately an hour and a half before the assassination. Youngblood's reported association with Mitch Warbell in Atlanta and Robert Vesco of Costa Rica, if established, should provide

another area where future investigation might prove profitable.

Also of interest is the speculation, based on preliminary information, that a possible conspiracy to kill Dr. King was hatched within the folds of the civil rights movement itself. If the reports concerning Rev. Samuel Kyles, one of King's local contacts in Memphis and the State's chief witness against Ray, have any credibility, it would seem that at least a perfunctory investigation into this possibility would be necessitated.

Again, the above referenced individuals and their alleged relationship to the King assassination were not a target of our particular investigation, and we merely report information received by us without any attempts at verification. However, it would seem that all of the above areas need to be fully explored in order to reach a more definitive position on the circumstances surrounding the assassination of Dr. Martin Luther King, Jr.

(Mount Clipping In Space Below)

BY 3 ATLANTANS

Accuser Sued In King Probe

By JIM GRAY

Three Atlanta men accused by a convicted narcotics dealer of complicity in the 1968 slaying of Martin Luther King Jr. and exonerated this summer by Atlanta police have filed a \$3 million libel suit against their accuser and his mother.

Bayne S. Culley, Harold Eugene Purcell and Lawrence W. Meier claim in the Fulton County Superior Court action that 21-year-old Robert Byron Watson and his mother published "false, scandalous, malicious and defamatory" written statements they knew to be false.

Attached to the lawsuit are six pages allegedly written by young Watson. The narrative claims Watson overheard the men plotting the murder a week before it happened.

Watson's charges were turned over this summer to Atlanta Public Safety Commissioner Reginald Eaves by comedian Dick Gregory. Eaves announced "new evidence" and discounted FBI claims that it had already determined the allegations to be unfounded, but he conceded July 30 that Watson's claims "could not be substantiated."

The lawsuit claims Watson and his mother, Mrs. Robert Willard Watson, also falsely accused the three of international drug smuggling and

racketeering.

The plaintiffs' reputations have been irreparably injured, the suit says, and they have been "exposed to public hatred, contempt and ridicule with and amongst their neighbors and other good and worthy citizens."

Each plaintiff demands \$1 million in actual and punitive damages. Their lawyer swears in an affidavit that Watson is imprisoned at a federal prison in Kentucky after conviction for conspiracy to distribute cocaine.

The accusation by Watson claims he overheard the plot at Magellons artifact store in Buckhead. Watson claims he heard one man say he would shoot King in the head "and frame a jailbird just as they had Kennedy."

The Watson statement alleges that "assassins" and "syndicate" figures continually threatened him and his mother while they unsuccessfully tried to convince investigators of the truth of their charges.

"Ever since that time my mother and I have been threatened, victimized, and the objects of numerous dirty tricks by the federal government," the narrative claims.

The Atlanta Journal and Constitution
Page 6-A
September 1, 1975

(Mount Clipping in Space Below)

What is FBI hiding?

Atlanta official charges King murder cover-up

By Joel Aber

ATLANTA—New leads point to a conspiracy in the 1968 assassination of civil rights leader Rev. Martin Luther King, Jr., but the FBI and Justice Department have refused to pursue the evidence. So admitted Atlanta's public safety commissioner, Reginald Eaves, at a July 30 news conference.

A twenty-one-year-old Black Atlantan, Robert Watson, says he overheard two white men in Atlanta plotting to murder the civil rights leader one week before his assassination.

In 1971, Watson informed federal authorities of the incident. They failed to do anything.

In 1972, Watson was convicted on a drug charge that he asserts was part of a government frame-up to silence him.

Since that time, James Earl Ray, who originally confessed to being the sole plotter, demanded a new trial based on his contention that he actually acted in conspiracy with white Southerners. He was denied a new trial by a federal judge last February.

Recently, Eaves initiated an investigation into the assassination plot,

after comedian Dick Gregory relayed Watson's story to him.

During the investigation, Eaves issued a statement complaining that the FBI was impeding the investigation. "Our intelligence detectives to date have been denied access to the information the FBI now has in their files," he said. He noted that "local FBI officials here in Atlanta who normally cooperate with us seemed unwilling to share information concerning the case."

Eaves said his detectives had been able to gather information that proved Watson's story "to be about 95 percent accurate."

At the news conference Eaves toned down his criticism of the FBI and said that his investigation had "not substantiated" Watson's contention that the plot was based in Atlanta. But he admitted that Atlanta detectives have turned up unspecified "leads," apparently in Memphis.

Eaves said he would call on the Justice Department, Memphis authorities, and Representative Andrew Young (D-Ga.) to continue the investigation.

"The Militant"
Page 29.
September 5, 1975

Meanwhile the FBI has been forced to admit, for the first time, that it had been told Watson's story in 1971. FBI director Clarence Kelley said the story was groundless, but offered no explanation as to how the agency arrived at that conclusion, or why it then decided to keep its conclusion secret.

Clearly the FBI and other government agencies have a stake in impeding further investigation into King's murder. It might lead to embarrassing questions.

According to information released last March by *New York Times* reporter Nicholas Horrock, King was under continual harassment and surveillance by the FBI until the moment of his death. Horrock quotes one agent as saying the surveillance was so tight that King "couldn't wiggle."

It is now known, through the court-ordered release of secret FBI memos, that the harassment of King was part of the FBI's Cointelpro plot to destroy the Black movement. The questions arise: What is the FBI trying to cover up? Was it behind the plot to kill King?



Eli Finer

FBI says they heard story of plot to murder Martin Luther King, Jr., in 1971 but dismissed it as groundless.

- 49* -

9/8/75

CIVIL RIGHTS DIVISION

ATTENTION: MR. HORN

MURKIN
CIVIL RIGHTS

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8/5/75

9/2/75

XXXXXXXXXXXXXXXXXXXX
Cincinnati

an LHM

xx F. JCL/jet

9/2/75

AIRTEL

TO : DIRECTOR, FBI (44-38861)

FROM : SAC, CINCINNATI (157-1893) (P)

SUBJECT: MURKIN

Re ME airtel to the Bureau, 6/26/75.

Enclosed for the Bureau are six copies of LHM captioned "JAMES EARL RAY". Enclosed for Memphis are two copies of same LHM.

Information furnished in enclosed LHM was obtained from records at the U. S. Court of Appeals, Sixth Circuit, Cincinnati, Ohio, by SC DWIGHT H. VOGEL.

Cincinnati will maintain contact with the U. S. Court of Appeals in this matter.

- ② - Bureau (Enc. 6)
- 2 - Memphis (44-1987) (Enc. 2)
- 2 - Cincinnati

DHV:stn
(6)



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

Cincinnati, Ohio

September 2, 1975

In Reply, Please Refer to
File No.

RE: JAMES EARL RAY

On September 2, 1975, Grace Keller, Chief, Deputy Clerk, United States Court of Appeals, Sixth Circuit, Cincinnati, Ohio, advised an employee of the Federal Bureau of Investigation that the appeal of the subject, James Earl Ray, was docketed in that court on July 7, 1975, under Docket Number 75-1795. The appeal resulted from a judgment handed down in the Western District of Tennessee, Western District, at Memphis by Judge Mc Rae on February 27, 1975, in Civil Case Number 74-166.

The following are the entries in Docket Number 75-1795:

July 7, 1975	<u>Certified Record</u> (Three volumes pleadings, fifteen volumes transcript) filed; and cause docketed.
July 11, 1975	<u>Supplemental Record</u> (One volume transcript) filed.
July 11, 1975	Appearance of Mr. Livingston for Appellant.
July 14, 1975	Appearance of Mr. Haynes, Jr. for Appellee.
July 14, 1975	Appearance of Mr. Fensterwald, Jr. for Appellant.
July 15, 1975	Appearance of Mr. Lesar for Appellant.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

RE: JAMES EARL RAY

July 31, 1975

Motion: Appellant's brief
to September 17, 1975
(Granted).

August 4, 1975

Opposition of Appellant's
motion for extension of time
to file brief.

AIRTEL

8/13/75

To: SAC, Atlanta (44-2386)
From: Director, FBI (44-38861)

1 - Mr. Lawn

MURKIN

ReATairtel 8/1/75.

On 8/13/75, the Civil Rights Division advised that by letter to the Attorney General, dated July 30, 1975, A. Reginald Eaves, Public Safety Commissioner, Atlanta, volunteered to furnish a copy of the recent investigation by the Atlanta Bureau of Public Services to the Department.

Accordingly, Atlanta should obtain a copy of this report which will be disseminated to the Civil Rights Division.

JCL:bap (4)

NOTE: Departmental Attorney Steven Horn, Civil Rights Division, telephonically requested that copy of report be obtained as noted above.

4/30

8/5/75

CIVIL RIGHTS DIVISION

ATTENTION: MR. HORN

~~9/3~~

MURKIN
CIVIL RIGHTS

8/1/75

XXXXXXXXXXXXXXXXXXXX
Atlanta

an LHM

xx G. JCL/jet

1

F B I

Date: 8/1/75

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (44-38861)
(ATTN: SUPV. JACK LAWN, ROOM 5078
JEH, AND EXTERNAL AFFAIRS)

FROM: SAC, ATLANTA (44-2386) (C)

MURKIN

Re Atlanta teletype to the Bureau, 7/18/75.

Enclosed herewith for the Bureau are the original and five copies of an LHM with attached newspaper clippings.

One copy of above LHM being furnished to Memphis Division for information.

Enclosed clippings set forth the newspaper articles appearing as a result of Atlanta Public Safety Commissioner A. REGINALD EAVES' news conference of 7/30/75, in which he set forth the results of his investigation into the assassination of Doctor MARTIN LUTHER KING, JR.

As pointed out in these clippings, the investigation produced no new evidence, however, EAVES stated that he would ask the U. S. Department of Justice, officials in Memphis, and U. S. Representative ANDREW YOUNG to initiate an investigation to insure that injustice has not been perpetrated.

④-Bureau (Enc. 6)
1-Memphis (44-1987) (Enc. 1) (Info)
2-Atlanta
WDC:cw
(7)

RECEIVED
AUG 1 1975

Approved: _____
Special Agent in Charge

Sent _____ M Per _____

U.S. Government Printing Office: 1972 - 455-574